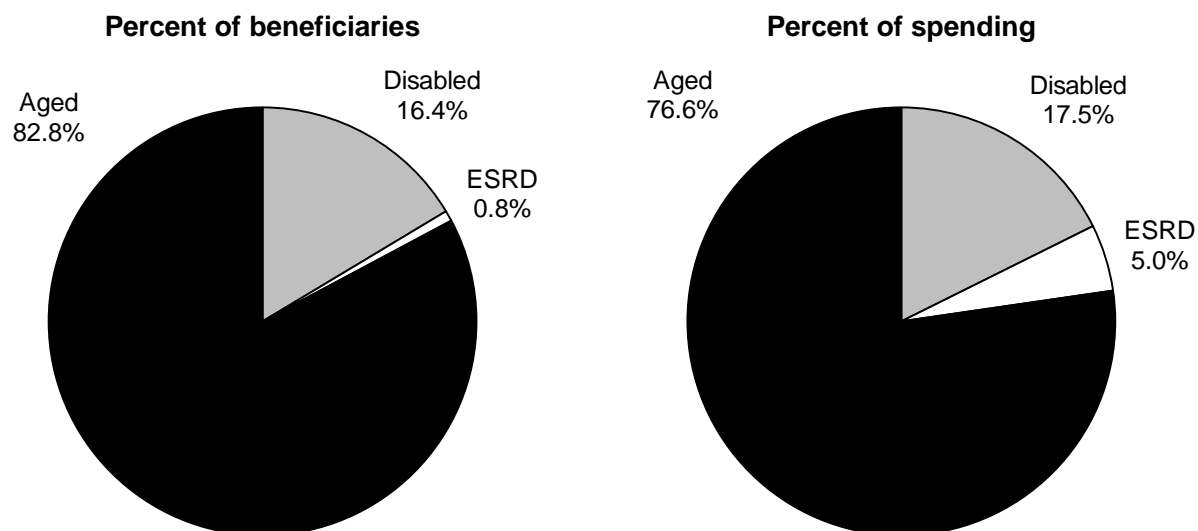


SECTION

2

**Medicare beneficiary
demographics**

Chart 2-1. Aged beneficiaries account for the greatest share of the Medicare population and program spending, 2011

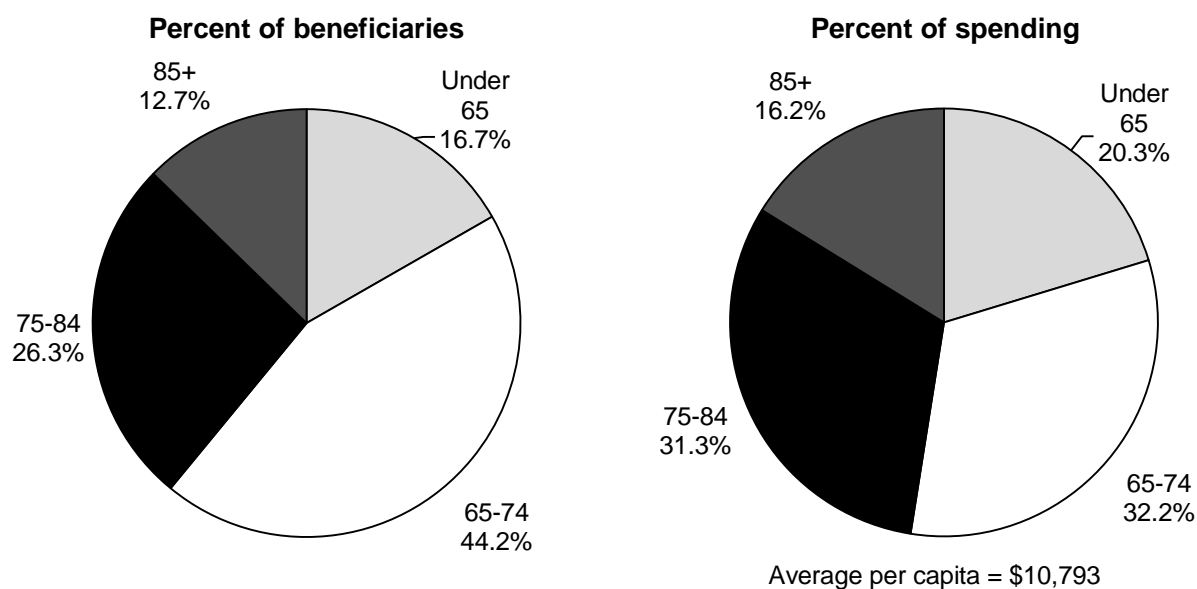


Note: ESRD (end-stage renal disease). The “aged” category refers to beneficiaries ages 65 or older without ESRD. The “disabled” category refers to beneficiaries under age 65 without ESRD. The “ESRD” category refers to beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding and exclusion of an “other” category.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2011.

- In 2011, beneficiaries ages 65 or older without ESRD composed 82.8 percent of the beneficiary population and accounted for 76.6 percent of Medicare spending. Beneficiaries under 65 with a disability and beneficiaries with ESRD accounted for the remaining population and spending.
- In 2011, average Medicare spending per beneficiary was \$10,793.
- A disproportionate share of Medicare expenditures is devoted to Medicare beneficiaries with ESRD. On average, these beneficiaries incur spending that is more than six times greater than spending for aged beneficiaries (65 years or older without ESRD) or for beneficiaries under age 65 with disability (non-ESRD). In 2011, \$76,078 was spent per ESRD beneficiary versus \$9,978 per aged beneficiary and \$11,507 per beneficiary under age 65 enrolled because of disability.

Chart 2-2. Medicare enrollment and spending by age group, 2011

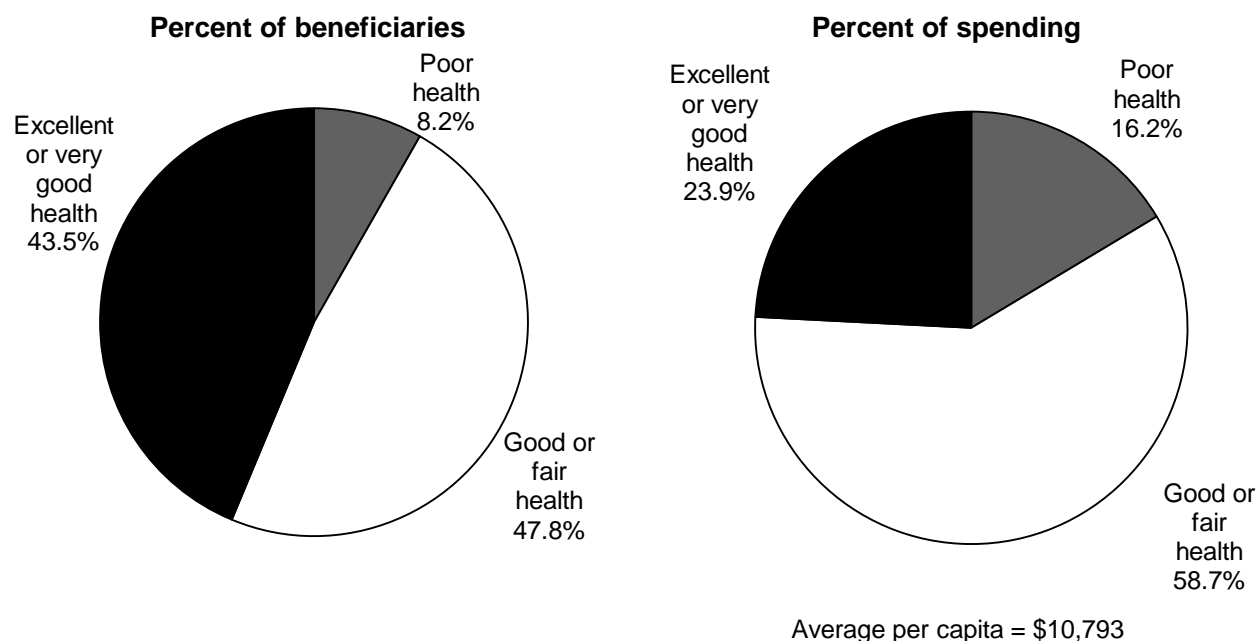


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2011.

- For the aged population (65 or older), per capita expenditures increase with age. In 2011, per capita expenditures were \$7,859 for beneficiaries 65 to 74 years old, \$12,805 for those 75 to 84 years old, and \$13,788 for those 85 or older (data not shown).
- In 2011, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$12,630 (data not shown).

Chart 2-3. Beneficiaries who report being in poor health account for a disproportionate share of Medicare spending, 2011

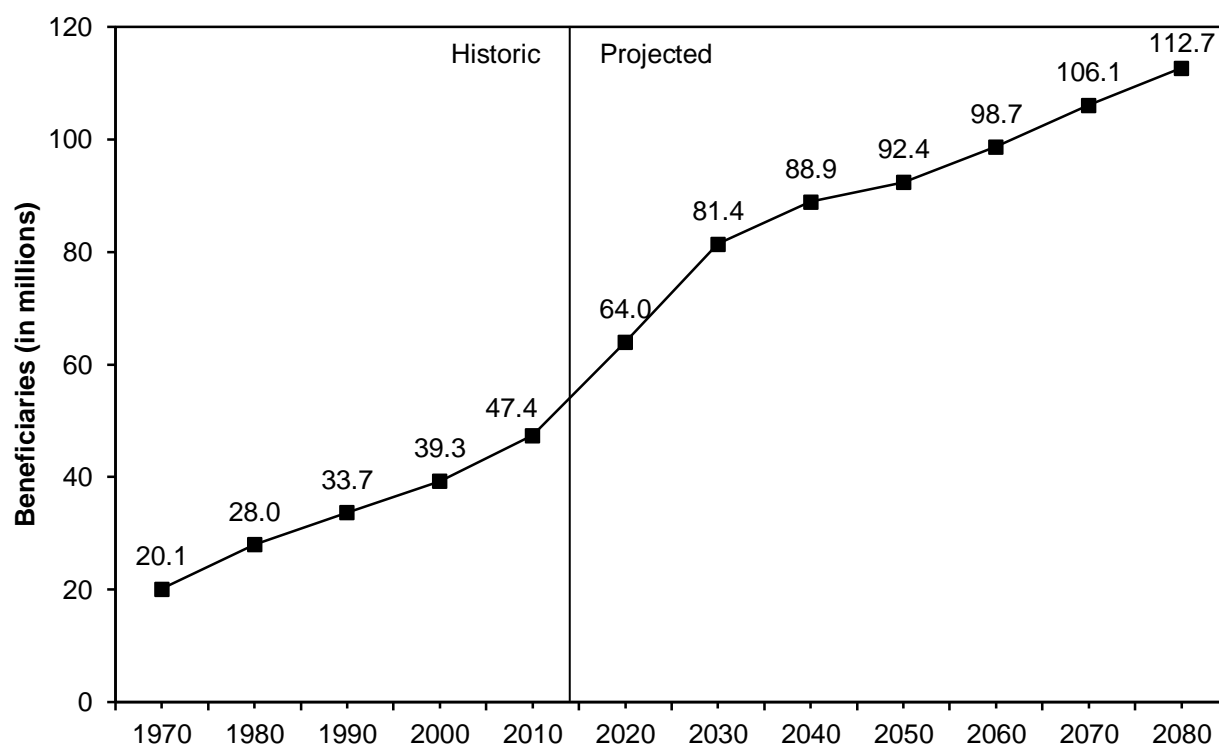


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2011.

- In 2011, most beneficiaries reported fair to excellent health. Fewer than 10 percent reported poor health.
- Medicare spending is strongly associated with self-reported health status. In 2011, per capita expenditures were \$5,938 for those who reported excellent or very good health, \$13,250 for those who reported good or fair health, and \$21,440 for those who reported poor health (data not shown).

Chart 2-4. Enrollment in the Medicare program is projected to grow rapidly in the next 20 years



Note: Enrollment numbers are based on Part A enrollment only. Beneficiaries enrolled only in Part B are not included.

Source: **AT THE TIME THIS DATA BOOK WAS PREPARED, THE MEDICARE TRUSTEES' REPORT (WHICH IS THE CUSTOMARY SOURCE OF DATA FOR THIS CHART) HAD NOT YET BEEN RELEASED FOR 2015. THIS CHART REFLECTS DATA FROM THE 2014 MEDICARE TRUSTEES' REPORT. THE READER IS ADVISED TO CONSULT THE 2015 TRUSTEES' REPORT DIRECTLY, WHEN AVAILABLE, FOR THE MOST CURRENT VERSION OF THESE DATA.**

- The total number of people enrolled in the Medicare program will increase from about 50 million in 2012 to about 81 million in 2030.
- The rate of increase in Medicare enrollment will accelerate until 2030 as more members of the baby-boom generation become eligible, at which point it will continue to increase, but more slowly, after the entire baby-boom generation has become eligible.

Chart 2-5. Characteristics of the Medicare population, 2011

Characteristic	Percent of the Medicare population	Characteristic	Percent of the Medicare population
Total (48,420,576)	100%	Living arrangement	
Sex		Institution	5%
Male	45	Alone	28
Female	55	Spouse	48
		Other	19
Race/ethnicity		Education	
White, non-Hispanic	76	No high school diploma	22
African American, non-Hispanic	9	High school diploma only	28
Hispanic	9	Some college or more	48
Other	5	Income status	
Age		Below poverty	15
<65	16	100–125% of poverty	8
65–74	44	125–200% of poverty	21
75–84	26	200–400% of poverty	28
85+	13	Over 400% of poverty	26
Health status		Supplemental insurance status	
Excellent or very good	43	Medicare only	16
Good or fair	49	Managed care	27
Poor	8	Employer-sponsored insurance	28
Residence		Medigap	14
Urban	77	Medigap with employer-sponsored insurance	1
Rural	23	Medicaid	14
		Other	1

Note: "Urban" indicates beneficiaries living in metropolitan statistical areas (MSAs). "Rural" indicates beneficiaries living outside MSAs. In 2011, poverty was defined as income of \$10,788 for people living alone and \$13,609 for married couples. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category. Poverty thresholds are calculated by the U.S. Census Bureau (<https://www.census.gov/hhes/www/poverty/data/threshld/>). Some beneficiaries may have more than one type of supplemental insurance.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2011.

- Most Medicare beneficiaries are female and White.
- Close to one-quarter of beneficiaries live in rural areas.
- Twenty-eight percent of the Medicare population lives alone.
- Close to one-quarter of beneficiaries have no high school diploma.
- Most Medicare beneficiaries have some source of supplemental insurance. Employer-sponsored plans are the most common source of supplemental coverage.

